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C O N F I D E N T I A L MANAMA 001813

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TAGS: [PREL](#) [PGOV](#) [BA](#) [IZ](#) [REGION](#)

SUBJECT: BAHRAIN'S RELATIONS WITH IRAQ

REF: A. STATE 216314

[1](#)B. STATE 211125

Classified by DCM Susan L. Ziadeh for reasons 1.4 (b) and (d).

[1](#)1. (C) Per reftels, Pol/Econ Chief December 5 met with MFA Director for Arab Affairs Zoheir Mandeel and Bahraini Charge to Baghdad Hassan Al Ansari to urge more Bahraini support for Iraq, particularly in light of the upcoming elections. Al Ansari, whose arm is still bandaged from wounds sustained in a July 5 assassination attempt in Baghdad, said that he is still accredited to the Iraqi government though he works out of Bahrain. The Embassy remains open with 12 full-time Iraqi employees. The Iraqi Embassy in Bahrain serves as the regional financial center for Baghdad's embassies in the region.

[1](#)2. (C) Al Ansari explained that Bahrain had pledged \$10 million in support to Iraq at the Madrid conference and the GOB, through the Red Crescent Society, had already disbursed all of the funds. The Society used the money for medicines, financing for the activities of humanitarian institutions, and funding for the construction of 25-30 sewing workshops for women. The Iraqi government has asked the GOB for additional official support, but Bahrain has not yet made any decisions. Bahrain's GIB Bank holds some \$500 million in Iraqi debt and the Iraqi Central Bank and Bahrain's Ministry of Finance have engaged in discussions regarding the disposition of the debt.

[1](#)3. (C) In addition to the official assistance, Al Ansari said that Bahrain had hosted the training of 4,000 Iraqi civil defense personnel by an American contractor. The training will be completed by the end of the month and, in response to Bahrain's inquiry, the Iraqi government said there was no immediate need for additional training. The Bahrain Institute of Banking and Finance trains 3-4 Iraqi bankers each month and arranges temporary internships at Bahraini banks. On the commercial front, Bahrain's United Al Ahli Bank purchased the Commercial Bank of Iraq (CBI) and will expand CBI's operations from savings and checking accounts only to include a trading room and international operations. As part of the deal, more than 70 Iraqi employees of CBI will come to Bahrain for training. The Bahraini Adex Investment Bank has an office in Baghdad. The Bahrain Chamber of Commerce and Industry has held several conferences on Iraq reconstruction and it intends to open a branch office in Baghdad when the security situation permits.

[1](#)4. (C) Al Ansari said that Bahraini charitable organizations also contribute to Iraq. The Islamic Education Society (Al Tarbiya Al Islamiya), a Salafi group, pays the salaries of employees at a free hospital located between Baghdad and Falluja. Other groups donate school supplies, air conditioners, and refrigerators.

[1](#)5. (C) With regard to official contacts, Iraqi Foreign Minister Zebari and Planning Minister Saleh participated in the November 11-12 Forum for the Future Conference in Manama and met with Bahraini officials. Vice President Ghazi Yawar attended the December 2-4 IISS Gulf Dialogue conference in Manama and met with Prime Minister Shaikh Khalifa. At the Gulf Dialogue, Foreign Minister Shaikh Khalid spoke publicly in support of all Iraqis participating in the December 15 elections. Bahrain is an active participant in the Iraq Neighbors Meetings.

[1](#)6. (C) Comment: Bahrain has publicly and privately supported the political and constitutional processes under way in Iraq. Unlike its GCC counterparts, Bahrain does not have the financial resources to be a large donor, though the GOB understands the importance of making at least symbolic contributions. Given its small size, Bahrain tends to operate within the consensus of regional and multilateral fora like the GCC. We will continue to urge the GOB to do what it can diplomatically and financially to support Iraq.

MONROE